

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on January 29, 2001 at 10:00 A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Pete Ekegren (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Ken Toole (D)

Members Excused: Sen. Edward Butcher (R)
Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Lynette Brown, Committee Secretary
David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SR 6, HB 91, SB 289, 1/22/2001
Executive Action: SB 275, SB 256

HEARING ON SR 6

Sponsor: SEN. ED BUTCHER, SD 47, Winifred

Proponents: Bob Gilbert, Montana Wool Growers & Montana Dairy Associations
Carol Lambert, Board member, Public Employees Retirement System

Bob Stevens, Montana Grain Growers Association
REP. JIM WHITAKER

Opponents: None

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The confirmation hearing for Director of Agriculture began with **Ralph Peck** sharing information about his background with the committee. **Mr. Peck** shared that he grew up in agriculture. He realizes agriculture is presently a challenge and the stresses are immense in agriculture. He stated it is important to find ways to continue to build agricultural markets. **Mr. Peck** acquired a degree in business management, marketing and finance. He returned to obtain a master's degree in ag business. Once you are raised on a farm or in the country, it is difficult to get your heart away from that, he shared. He had served in the Department of Agriculture for three years, then left to work in a consulting firm. He was honored to serve as Director of Agriculture under **Governor Mark Racicot** having been requested by **Governor Judy Martz** to continue in that position. He is thankful to be able to continue to live in Montana. **Mr. Peck** stated the energy crisis is critical to everyone including the farmers and ranchers with irrigation costs as well as the sugar producers. It is the belief of **Mr. Peck** that his agency is a compliance-assistance agency; the department's job is to help the people comply with the law. It is important for the people to receive the services they want, and to receive the right level of services for the dollar invested.

Proponents' Testimony:

Bob Gilbert, Montana Wool Growers Association and Montana Dairy Association, shared support for **Ralph Peck** for this position. **Mr. Gilbert** said **Mr. Peck** has not lost his enthusiasm and vision for the agriculture community in Montana. He has been impressed with **Mr. Peck's** involvement with the National Agricultural Directors and has served as director of that organization. **Mr. Peck** has been a close advisor on agriculture issues. The continuation of the Young Couples Conference has been important.

Carol Lambert, Women Involved in Farm Economics, shared excitement of **Mr. Peck's** re-appointment. Her organization has always been able to go to **Mr. Peck** and have appreciated his involvement on both state and national levels.

Bob Stevens, representing the Montana Grain Growers Association and himself, said his organization strongly support his re-

appointment. **Mr. Peck** is the most knowledgeable Director of Agriculture he had seen. He said **Mr. Peck** works well with all organizations.

REP. JIM WHITAKER expressed **Mr. Peck** would be a great re-appointment for this position.

Questions from Committee Members and Responses:

SEN. JOHN BOHLINGER asked **Mr. Peck** where the money comes from to make his agency 87% self-funding? **Mr. Peck** answered yes, the money comes through fees (feed, fertilizers, nursery products), and 6% comes from federal programs, and general funds.

SEN. BOHLINGER questioned **Mr. Peck** as to the size of the budget for the Department of Agriculture. **Mr. Peck** answered the budget is \$12 million, the legislature appointed another \$1.5 million through special session action. Out of that \$1.5 million, \$1 million goes to grants, and \$1/2 million goes to marketing and business assistance and marketing development. About 40% of the budget goes back out to the public in the form of grants.

SEN. BOHLINGER asked **Mr. Peck** how much money comes from the general fund? **Mr. Peck** responded \$840,000 comes from the general fund.

SEN. EVE FRANKLIN questioned **Ralph Peck** how he understands government policy being able to assist the agricultural sector. **Mr. Peck** responded some of the issues are: environmental issues, livestock issues, crop issues, organic production, commercial products, and prairie dogs.

SEN. KEN TOOLE asked **Mr. Peck** as long as prairie dogs are designated as predators, will it be difficult for Montana to take control from the federal government? The Department of Agriculture actually deals with rodent control. **Mr. Peck's** department worked with the Fish, Wildlife and Parks Department so that both agencies would join together on management plans which met federal requirements.

SEN. TOOLE wondered if the concentration in the meat packing industry was a concern for people in Montana? The Department of Agriculture has been very concerned about this issue because state inspected meat packing plants cannot export their meat across the state border, while federal inspected plants can. **Mr. Peck** is striving to have both the state and the federally inspected plants treated equal.

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SEN. FRANKLIN stated in the past, people have attempted to take state inspection programs out of the budget. **Mr. Peck** responded that the state inspection programs are actually in the Department of Livestock.

SEN. FRANKLIN asked how we could help with the electricity prices on farms? **Mr. Peck** answered there are two areas where we could help: (1) debating where the future is going to be on deregulation issues, and (2) Montana has been short-changed on low-cost power so that is an area to be worked on.

SEN. ELLIOTT asked how much the Department of Agriculture was involved in the Extension Office and what direction should they take? **Mr. Peck** said the Department of Agriculture works closely with the Extension Office. They work closely with the Dean of Students at Montana State University as well as the Extension office because they don't want to duplicate services and can then get the best return on the dollar.

SEN. EKEGREN asked **Mr. Peck** how they were doing with noxious weed problem? **Mr. Peck** commented it was the biggest environmental issue in the Department of Agriculture, affecting recreation as well as farming. He added the challenge was that these projects span four to five years, so there would not be money for many new projects.

SEN. EKEGREN questioned if the noxious weed problem was repairable? **Mr. Peck's** response was it depends on the kind of weed. Some weeds yes, other weeds would be more of a challenge in using management techniques or insects to disperse of the weeds.

SEN. BOHLINGER requested an explanation of the Pick/Sloan Power Program. **Ralph Peck** explained the program was developed on the federal level as a mechanism to pass on affordable power to farmers and ranchers for uses such as irrigation and running their operations. He went on to say that we need to be more aggressive on this issue, with the momentum already started.

SEN. DON HARGROVE asked **Mr. Peck** if he was involved in the issues of buffalo on game farms in his position? He responded the buffalo is an issue with the Department of Livestock, however, he gets involved on the national level.

SEN. HARGROVE asked about diversifying in which **Mr. Peck** responded that it is difficult to diversify. There is more emphasis put on diversifying now, though, he strongly recommends

people diversify with deliberately, but with caution, and go very slowly.

SEN. FRANKLIN asked if there was any assistance to helping people diversify? **Mr. Peck** advises people to be cautious in diversifying.

Closing: **Ralph Peck** closed by affirming he was committed to do all he could to serve the people in Montana.

HEARING ON HB 91

Sponsor: **REP. GEORGE GOLIE, HD 44, Great Falls**

Proponents: **Joan Anderson, Office of Public Instruction**

Opponents: **None**

Opening Statement by Sponsor:

REP. GEORGE GOLIE, HD 44, opened by saying this bill coordinates school election dates, thus saving school districts money on school elections.

Proponents' Testimony:

Joan Anderson, Office of Public Instruction, EXHIBIT(sts23a01) offered explanation of the hand-out with a time-line for coordinating the school election dates.

Opponents: **None**

Questions from Committee Members and Responses:

SEN. TOOLE asked **Joan Anderson** what the filing deadline was? She responded the final deadline for candidates is 40 days.

SEN. JIM ELLIOTT questioned if five days was adequate time to get ballots printed? **Ms. Anderson** said there were generally a number of absentee ballots done first, so they would be ready when the larger number of requests come in. Therefore, it would not take as much time to get the remainder ballots finished.

SEN. TOOLE asked **Ms. Anderson** if the five day filing time would still remain on the bill. She responded that, yes, this bill

moves the write-in candidates' intent to register deadline from the day before the election to five days before.

Closing by Sponsor:

REP. GEORGE GOALIE closed HB 91 by saying this bill was a simple change in election dates. **SEN. BOHLINGER** will carry this bill to the senate.

HEARING ON SB 289

Sponsor: SEN. JOHN TESTER, SD 45, Big Sandy

Proponents: Roger Hagan, Great Falls Airport Fire Fighters
Rick Silva, Great Falls/Montana Air National Guard
Fire Fighters
James Dixon, Great Falls/Montana Air National Guard
Fire Fighters
Erick Gilbert, Great Falls Montana Air National Guard
Fire Fighters
Lt. Col. Brad Livingston, Montana Air National Guard
Douglas H. Neil, Montana State Firemen's Association
Mike O'Connor, Montana Public Employee Retirement
Association

Opponents: None

Opening Statement by Sponsor:

SEN. JOHN TESTER, SD 45, opened by stating the intent of this bill was an issue of fairness. The firefighters need to have the option to belong the Public Employees Retirement System, he said.

Proponents' Testimony:

Roger Hagan, Great Falls Airport Fire Fighters Association, EXHIBIT (sts23a02) explained the handout about reasons why SB 289 was important.

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Rick Silva, Great Falls Montana Air National Guard Fire Fighters, EXHIBIT (sts23a03) explained the handout about various services and duties performed by his organization.

James Dixon, Great Falls Montana Air National Guard Fire Fighters, EXHIBIT(sts23a04) provided information about the handout on medical concerns for firefighters.

Erick Gilbert, Great Falls Montana Air National Guard Fire Fighters, EXHIBIT(sts23a05) gave the committee explanations about the handout on physical demands on firefighters.

Lt. Colonel Brad Livingston, Commander for the Montana Army National Guard, stated the increase with the fiscal note has been recommended by the federal government. He said most firefighters in the country are already under the PERS plan. His organization is losing firefighters to Great Falls because of the retirement system.

Douglas Neil, Montana State Firemen's Association, told the committee that the groups have lost firefighters mostly due to the retirement system.

Mike O'Connor, Executive Director of the Public Employment Retirement Board, EXHIBIT(sts23a06) explained the handout detailing the PERS options for the firefighters. He stated this bill is also actuarially sound.

Opponents' Testimony: None

Questions from Committee Members and Responses:

Sen. BOHLINGER asked **Roger Hagan** about the special funds account available for this project? **Roger Hagan** responded there were \$35 million transferred from the FY2000, which is insurance premium tax bond money, of which fire insurance would be a part of that.

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SEN. ELLIOTT asked **Roger Hagan** if this was the first attempt made by this organization to join PERS? **Mr. Hagan** responded that there have been efforts prior to this, however, the efforts were not successful because of the fiscal costs.

SEN. ELLIOTT asked **Rick Silva** what the average length of service was? He responded the average length of service was 14 to 15 years, with the average age of worker in the late 30's.

SEN. ELLIOTT asked **Rick Silva** why he joined this group? **Mr. Silva** answered was because of his experience in the Air National Guard. He retired from the Air National Guard and when an

opportunity arose for full time employment in this area, he accepted.

SEN. EKEGREN asked **James Dixon** if the workers die from heart attacks while fighting the fires? **Mr. Dixon** responded that, yes, they have died in response to a fire, in a fire, or something related to the fire. He added that the vehicle accidents listed were in the truck en route to a fire.

SEN. BOHLINGER asked **Mike O'Connor** of the \$35 million, was there enough to cover the fiscal note? **Mr. O'Connor** said that fund has helped fund the cost with the balance staying in the general fund.

SEN. HARGROVE asked **Mike O'Connor** if the fiscal note was strictly from the retirement age? **Mr. O'Connor** answered that in order to fund any retirement system, they need a certain percentage of the person's salary.

SEN. HARGROVE asked **Mike O'Connor** how this would project out over the next ten years? **Mr. O'Connor** answered there would be a 4-4 1/2% increase in salary with the increased portion going into the retirement system.

Closing by Sponsor:

SEN. JOHN TESTER closed SB 289, adding that this bill was important because of the hazardous nature of this job and the disability benefits.

EXECUTIVE ACTION ON SB 275

Motion/Vote: **SEN. BOHLINGER** moved that **AMENDMENT SB27502.ADN EXHIBIT**(sts23a07) **BE ADOPTED. Motion carried 6-0.**

Motion/Vote: **SEN. FRANKLIN** moved that **SB 275 DO PASS. Motion carried unanimously.**

EXECUTIVE ACTION ON SB 256

Motion: **SEN. TOOLE** moved that **SB 256 DO PASS AS AMENDED. EXHIBIT**(sts23a08)

Discussion:

SEN. HARGROVE told the committee he had a meeting with **Arlene Hannowalt** from the University and **Mr. Hanson**. **Ms. Hannowalt** said the University already dedicates 25% FTE to check on the scholarships to be sure they have been signed and filled out properly. She told **SEN. HARGROVE** the amendment would be appropriate.

Vote: Motion **SB 256 as amended SB025601.adn** carried 7-1 with **Butcher** voting no.

ADJOURNMENT

Adjournment: 12:00 P.M.

SEN. DON HARGROVE, Chairman

LYNETTE BROWN, Secretary

DH/LB

EXHIBIT (sts23aad)